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SUBJECT: ISRAELI FM LIVNI MEETS CODEL, SAYS FATAH CANNOT OVERTAKE
HAMAS IN GAZA

SUMMARY

1.(SBU) On Monday, February 18, CODELs Kyl and Brownback met with Israel Foreign Minister Tzipi Livni at the Knesset to hear Israeli perspectives on Iran and the peace process. Livni spoke at length regarding the challenges posed by Hamas, most significantly noting that the organization's function as a social movement with broad popular support now poses as great a threat to Israeli security as the organization's terrorist activities. Livni assessed that while there was once hope that Fatah could win back Gaza, this possibility is unlikely in the near future. End Summary.

IRAN

12. (SBU) On Monday, February 18, CODELs Kyl and Brownback met with Israel Foreign Minister Tzipi Livni at the Knesset to hear Israeli perspectives on Iran and the peace process. Livni observed that the world is increasingly divided between the forces of extremism and moderation, and suggested that Israel is too often the victim of extremists, specifically naming Iran and Hizballah in that category.

Livni went on to note that for the first time in years, more moderate Arab countries are recognizing that Iran poses a threat to their own security, and consequently they find themselves in the "strange place" of sharing a position with Israel. She suggested that this may be a factor in the Arab countries' hesitation to confront Iran, and may have caused the perception in the Arab world that engagement with Iran on the nuclear issue is a sign of weakness. Livni concluded with the observation that this is a "crucial moment" to confront the Iranians, and that a failure to do so may result in the international community's tacit acceptance of an Iranian nuclear power.

HAMAS AND GAZA

13. (SBU) Livni asserted that the division between extremists and moderates is also a battle being fought within Palestinian society. She remarked that in Gaza, Hamas operates not only as a terrorist organization, but also as a social movement that educates children, pays salaries, and provides welfare services. To the extent that these efforts have won the loyalty of the Palestinian population, Livni argued, the Hamas social movement poses as great a threat to Israeli security as the organization's Qassam rocket attacks and terror activities.

¶4. (SBU) Livni attributed the increased danger of Qassam rocket attacks from Gaza to the failure of Egypt to secure the Gaza-Egypt border, noting that more weapons with greater range capabilities are now flowing into Gaza and enabling Hamas to hit a wider range of targets inside Israel. Livni opined that while there was once hope that Fatah could win back Gaza, she no longer believes this is possible in the near term. While she was careful to note that Israel has not intended to reoccupy Gaza, Livni tacitly suggested that this is becoming a possibility. She argued that the focus now must be to stop the influx of weaponry into Gaza, both to enhance Israeli security and to avoid being further disadvantaged if at some point Israeli forces must go back in.

PEACE PROCESS AND PALESTINIAN STATEHOOD

¶5. (SBU) With respect to the peace process, Livni articulated a "dual strategy" for advancing the political process, characterized by trying to come to an agreement with President Mahmoud Abbas, who has accepted Israel's right to exist, while simultaneously isolating Hamas and acting against terrorist threats. In the past, Livni observed, Israel has demanded that all terrorist activity be halted and Roadmap Phase One requirements be met before undertaking any negotiations. She noted that this changed at Annapolis, when Israel decided to move forward in negotiations with the understanding that any future agreement would be subject to the implementation of stipulations articulated in the Roadmap. Livni highlighted Israel's desire to keep negotiations private and out of the public arena, noting that this is important to the process and has been successful thus far.

¶6. (SBU) With regard to a future Palestinian state, Livni pointedly noted that Israel cannot afford to have a terrorist state or a failed state on its borders, and suggested this is one reason why Israel decided not to launch a full attack on Lebanon in the summer

2006 war. Livni remarked that Israeli approval of Palestinian borders would depend on assurances that the Palestinian state remain demilitarized and that its establishment secure an absolute end to all Palestinian claims against Israel. In this context, Livni articulated Israel's opposition to Palestinian "right of return," suggesting that any compromise on this issue would only provide a loophole for further conflict.

ROLE OF THE U.S.

¶7. (SBU) Livni emphasized the importance of understanding between the U.S. and Israel, and remarked that Israel needs U.S. support to negotiate an agreement that will protect and secure Israel in both the short and long term. She was careful to note that Israel needs to be in control of the process and not be pressured by the U.S. or any international community actors. She asked that the U.S. continue to stand with Israel and be willing "to say to the Palestinians, at some point, 'no more.'"

¶8. (U) CODEL Kyl cleared on this cable.

JONES